

from the tobacco tax that we used to pay for the——

Q. All of it.

The President. I believe that you have to have a very generous interpretation to reach that conclusion. You look, we're giving 11 percent of the surplus on the USA accounts as a whole—11 percent. We have, in addition to that, you've got the long-term care tax credit, you've got the child care tax credit, you've got the continuing funding of all the education and child tax credits that we had in the previous budgets. And my guess is to get to that, they have to not count the continuing funding of the tax cuts, but count the continued extension of tax increases that have to have extenders as new revenues. I can't imagine how they got it otherwise.

We did have a large cigarette tax increase in there because we were trying to depress teen smoking, and we were trying to get funds to use to deal with the health consequences of what is a virtual epidemic among young people.

But I am for the tax cuts, and I will go back to the answer before. I've got new tax cuts in this budget, and I will work with the Republicans on it. But we should not—we should not—pass up this chance to save Social Security, to save Medicare, to give the prescription drug benefits, to pay the debt down, which will keep the economy stronger and keep people with more jobs and higher incomes. Then we can talk about the tax cuts. And if Mr. King is right and we have some more money, then we can talk about that. But let's deal with first things first. [*Laughter*]

Thank you very much.

NOTE: The President's 176th news conference began at 3:47 p.m. in Presidential Hall (formerly Room 450) in the Old Executive Office Building. In his remarks, he referred to Hashim Thaci, leader, Kosovo Liberation Army (KLA); Christopher Edley, consultant, One America; the President's Advisory Board on Race; Deputy Assistant to the President and Deputy Director of Speechwriting James (Terry) Edmonds; Presidential scholar Danielle Huff, who introduced the President at Georgetown University earlier the same day; former Senator Warren B. Rudman, Chairman, President's Foreign Intelligence Advisory Board; dismissed Los Alamos National Laboratory scientist Wen Ho Lee; Holocaust survivor, author,

and Nobel laureate Elie Wiesel; civil rights leader Rev. Jesse Jackson; Prime Minister Tony Blair of the United Kingdom; President Jacques Chirac of France; Prime Minister Keizo Obuchi of Japan; Prime Minister Bertie Ahern of Ireland; and President Slobodan Milosevic of the Federal Republic of Yugoslavia (Serbia and Montenegro). The President also referred to KFOR, the Kosovo International Security Force; and the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104-127). This item was not received in time for publication in the appropriate issue. A portion of this news conference could not be verified because the tape was incomplete.

Radio Remarks on House Action on the "Foster Care Independence Act of 1999"

June 25, 1999

I am very pleased the House of Representatives has just approved, by an overwhelming bipartisan margin, the "Foster Care Independence Act." This legislation would expand access to health care, education, housing, and counseling for young people who leave foster care upon their 18th birthday. I am very grateful to the bill's sponsors, Nancy Johnson and Ben Cardin. I also want to thank my wife for her early, early alert about the importance of this issue. I look forward to working with Members of both parties to pass similar legislation in the Senate. Together, we must help all our foster children make the transition to independence. We can't leave them out there alone. Instead, we must support them in living up to their full, God-given potential.

NOTE: The President's remarks were recorded at approximately 6:10 p.m. on June 25 in the Oval Office at the White House for later broadcast. These remarks were also made available on the White House Press Office Radio Actuality Line. This item was not received in time for publication in the appropriate issue.

The President's Radio Address

June 26, 1999

Good morning. This month schools across America are letting out for the summer and beginning to plan for the fall. Today I'd like to talk about what we must do to help our

schools prepare for the school year ahead and prepare our children for the future, by reducing class size in the early grades.

For 6½ years, our administration has made improving our children's education one of our highest priorities. This year, in my State of the Union Address, I outlined a plan to help our schools, our teachers, and our students meet high standards. The plan would hold States and school systems accountable for fixing failing schools. It would require teachers to be qualified in the classroom in the courses they teach. It would insist that we put an end to social promotion, but to do it in the right way, by investing in our children and in our schools, from funding after-school and summer school programs to modernizing and rebuilding 6,000 schools across our country to finishing up our commitment to hook all of our classrooms up to the Internet by next year.

Reducing class size is one of the most important investments we can make in our children's future. Recent research confirms what parents have always known: Children learn better in small classes with good teachers, and kids who start out in smaller classes do better right through their high school graduation.

But in far too many of our schools, 30 or more students are pressed desk-to-desk in a single classroom. Too many teachers have to spend more time maintaining order than maintaining high academic standards. And with the largest school enrollments in our history still to come, the problem is only going to get worse.

Now, if we're serious about preparing our Nation to succeed in the 21st century, we must do more to help all our children succeed in school. That's why last year I asked Congress to commit to reducing class size to 18 in the early grades. And with bipartisan support, Congress approved a big downpayment on my plan to put 100,000 well-prepared teachers in the classroom.

I'm pleased to announce that later this week we'll deliver on our promise with \$1.2 billion in grants to help States and local school districts begin hiring the first 30,000 well-trained teachers for the new school year. That means by the time children go back to school this fall, communities in all 50 States

will have more good teachers and smaller classes in the early grades, where it matters most.

Now we must finish the job. Unfortunately, there are some in Congress who are backing away from their commitment to reduce class size. Last year Congress came together across party lines to make this promise to the American people. They should come together again this year to keep it. I think a promise made in an election year should be kept in the years when there are no elections.

So today, again, I call on Congress to put politics aside and put our children's future first and finish the job of hiring 100,000 highly trained teachers. We know smaller classes will help them succeed in school. We know higher quality teaching will help them succeed. We already have the plan to make it happen if Congress keeps its word.

We've got a chance to use this time of prosperity to improve our children's education and to help them make the most of their lives. This isn't a partisan issue anywhere in America; it shouldn't be in Washington. Schoolchildren get the summer off, but we should make this summer a season of progress for our children, our schools, and our future in the new century.

Thanks for listening.

NOTE: The address was recorded at 6:07 p.m. on June 25 in the Oval Office at the White House for broadcast at 10:06 a.m. on June 26. The transcript was made available by the Office of the Press Secretary on June 25 but was embargoed for release until the broadcast.

Remarks on Departure for Westport, Connecticut, and an Exchange With Reporters

June 28, 1999

Midsession Review of the Federal Budget

The President. Good morning. Six years ago we put in place a new economic strategy for the information age. We put our fiscal house in order; we invested in our people; we expanded trade in American goods and services. By making tough decisions, America has reaped rich rewards. We built the longest peacetime expansion in our history.

Last week we learned that in the first 3 months of 1999, the economy grew at a 4.3 percent rate, with very low inflation. With record numbers of new homes being built, paychecks increasing, hundreds of thousands of young people getting new help to go to college, new businesses opening their doors, a surging market on Wall Street, we are truly widening the circle of opportunity in America.

I'm here to report to the American people on more good news about our budget. As required by law, my administration is releasing the midsession review of the budget. Here is what we have found.

When I took office, the National Government had a record deficit of \$290 billion, projected to increase indefinitely. Last year, for the first time in 29 years, we balanced the budget. In January this year, we projected a surplus for this year of \$79 billion. Today I am pleased to report that, in fact, the budget surplus for 1999 will be \$99 billion, the largest as a share of our economy since 1951. For next year, we now project a budget surplus of \$142 billion, a surplus of \$5 billion not counting the receipts from Social Security. In fact, improvements in the outlook since February have added \$179 billion to the projected budget surplus over 5 years, half a trillion over 10 years, and a trillion over 15 years.

Fiscal discipline does bring real results. I want to thank my economic team for all the work that they have done. Lower interest rates have led to a boom in business investment, to lower mortgage rates, to lower credit card rates, to lower student loan rates. Fiscal discipline has widened opportunity and created hope for all working people in our country. Now we have a chance to do even more, to use the fruits of our prosperity today to strengthen our prospects for tomorrow, indeed, for tomorrows well into the 21st century.

In my State of the Union Address, I set out a plan for how to use the budget surplus. Today, in light of the unexpectedly large surplus, I am proposing to build on that budget framework with a new approach that honors our values, meets our commitments, and makes it possible to reach bipartisan agreement on a budget for America.

First, we can strengthen our commitment to use the bulk of the surplus to save Social Security and Medicare and to pay down the national debt. The new budget numbers mean that we will run a surplus in the non-Social Security part of the budget, starting next year, much earlier than previously expected. I am pleased that Republicans and Democrats in Congress have agreed to use the Social Security surpluses to reduce the national debt. But we must go forward and achieve an even stronger lockbox than one proposed by Congress. Social Security taxes should be saved for Social Security, period. Let's finish the job and work to extend the solvency of Social Security. I'm encouraged that Republicans and Democrats on the House Ways and Means Committee are meeting together to try to accomplish this goal.

Second, our new large surplus will help us to strengthen and modernize Medicare while providing a prescription drug benefit. Tomorrow I will reveal the details of my plan to modernize Medicare. The steps I will propose to use the surplus will increase Medicare's solvency for at least 25 years. By taking additional measures to increase competition, combat fraud, and reduce costs, we can provide a new prescription drug benefit and still pay down our national debt.

Third, our new budget framework will use part of the surplus to provide substantial tax relief. It will maintain USA accounts, the largest and most progressive tax incentive ever offered to encourage savings. USA accounts will allow every American to begin saving from the first day in the work force, providing more help for those who need it, giving every American a stake in our shared prosperity.

In addition to the USA accounts, I have proposed tax cuts—targeted and paid for—for child care, for stay-at-home mothers, for long-term care, to encourage businesses to invest in poor communities, and to modernize 6,000 schools. But first things first.

Fourth, we can use this surplus to meet other vital national needs, such as maintaining military readiness, honoring our veterans, protecting the environment, promoting health research, farm security, and other core functions of our Government.